## KENTUCKY HORSE RACING COMMISSION MINUTES OF THE MEETING

Date: October 4, 2016 at 1:30 PM

Place: Capital Annex, Room 169, 702 Capitol Avenue, Frankfort, KY

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman John C. Roach; Commissioner Stuart E. Brown, II; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Brereton C. Jones, Jr.; Commissioner Foster Northrop, DVM; Commissioner Mark Simendinger; Commissioner Gerald W. Holt; Commissioner Lesley Ann May Howard; Commissioner James Gatewood Bell, Jr.; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Secretary David Dickerson, representing the Public Protection Cabinet; Caroline Baesler, by proxy and on behalf of Acting Secretary Erik Dunnigan, Cabinet of Economic Development; and Leigh Powers by proxy on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; John L. Forgy, General Counsel; Barbara Borden, Chief State Steward; Bruce Howard, DVM, Chief Racing Veterinarian; and Steve May, Director of Pari-Mutuel Wagering

Others Participating: None

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	4 – 5	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business  Tab 1 Churchill Downs Backside Improvement Request	5 – 6	Chairman Kling requested a motion to approve Churchill Downs' backside improvement expenditure of \$18,679.38.  Mr. Guilfoil presented Churchill Downs' request dated September 29, 2016 for approval to use funds in the Backside Improvement Fund in order to replace the backside ice machines	Motion to approve as presented by Commissioner Richardson. Second by Commissioner Simendinger. Motion carried with no objections
		located outside barn 34 and 44. Staff has inspected the	or abstentions.

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		machines and confirms the need for replacement.  KHRC staff has confirmed that Churchill Downs has a balance of \$615,621 in backside improvements funds. Upon completion of the project, KHRC staff will inspect the new ice machines and confirm completion. Copies of all invoices, photographs and communications will be kept on file at the KHRC office. Staff recommends approval.	
Tab 2 Approve 2017 Conditions of Racing Association Licensing	6 – 7	Chairman Kling requested a motion to approve the 2017 Conditions of Racing Association Licensing.  Mr. Forgy presented the proposed 2017 Conditions of Racing Association Licensing. He noted that the conditions are the same as have previously been in effect and that staff has reviewed and recommends approval.	Motion to approve as presented by Commissioner Hendrickson. Second by Commissioner Brown. Motion carried with no objections or abstentions.
Tab 3 Approve 2017 Racing Association Applications and Race Dates	7 – 9	Chairman Kling requested a motion to approve the 2017 race dates as requested.  Mr. Forgy presented the 2017 race dates calendar and host track status requests. Staff recommends approval.	Motion to approve by Commissioner Brown. Second by Commissioner Day. Motion carried with no objections or abstentions.
	9 – 11	Chairman Kling requested a motion to approve the 2017 race track licensing applications as submitted by Players Bluegrass Downs, Inc.; Churchill Downs Racetrack, LLC; Ellis Park Race Course, LLC; Keeneland Association, Inc.; Kentucky Downs, LLC; The Lexington Trots Breeders Association, also doing business as the Red Mile; Appalachian Racing, LLC, also doing business as Thunder Ridge; and Turfway Park; to conduct horse racing, to engage in simulcast and inter-track wagering, and to grant the	Motion to approve by Vice-Chairman Roach. Second by Commissioner Richardson. Motion carried with no objections or abstentions.

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		requested scheduled simulcast signals.	
		Staff recommends approval.	
Tab 4 Initial License Application by Watch and Wager, LLC to Conduct Advance Deposit Account Wagering	11 – 12	Chairman Kling announced that Item 4 would be withdrawn from the agenda and deferred to the next Commission meeting.	Deferred; no action taken.
Tab 5  a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division	12	a. Ms. Borden presented the thoroughbred ruling report through September 2016. She noted one update of payment of the fine for Ruling 16-0076.	Informational items only. No action taken.
d. Pari-Mutuel Wagering Division e. Confidential - Litigation and Regulations	12 – 13	b. Mr. Guilfoil presented the standardbred ruling report. He noted there were no updates. He also noted that Mr. Tim Schmitz has replaced Rich Williams as the new presiding judge.	
	13 – 15	c. Dr. Howard presented the veterinary reports for Ellis Park and Kentucky Downs meets.	
	15 – 18	d. Mr. May presented the pari-mutuel wagering reports for live racing, account deposit wagering and historical horse racing.	
	N/A	e. Status Report on Litigation and Regulations – For Informational Purposes Only.	
III. Other Business			
Presentation – Fayette Alliance	18 – 19	Deferred to a later meeting.	Deferred; informational item only.
IV. Executive Session	19 – 20	Chairman Kling requested a motion to go into closed session for the Commission to deliberate in its role as a judicial or quasi-	Motion by Commissioner Richardson. Second by

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		judicial body regarding individual adjudication as permitted under KRS 61.810(1)(j).  EXECUTIVE SESSION	Commissioner Holt.  Motion carried with no objections or abstentions.
	20	Chairman Kling requested a motion to return to public session.	Motion by Commissioner Richardson. Second by Commissioner Day. Motion carried with no objections or abstentions.
Tab 6 Confidential – Graham Motion v. KHRC	20 – 22	Chairman Kling requested a motion to adopt, in part, the Recommended Findings of Fact, Conclusions of Law, and Recommended Order of the Hearing Officer in re: Motion and Strawbridge v. KHRC, Administrative Action No. KHRC-15-TB-011, as follows: 1) to affirm the ruling of the stewards to impose a \$500 fine upon Motion; 2) disqualification of KITTEN'S POINT from the 7 <sup>th</sup> race at Keeneland on April 24, 2015; 3) forfeiture of all purse money; 4) and modified to decline to impose the recommended suspension upon Motion.	Motion by Commissioner Richardson. Second by Commissioner Holt. Chairman Kling called a roll call vote. Motion carried 10-0 with 5 abstentions. Abstaining were Commissioners Bell, Brown, Howard, Jones and Northrop.
V. Adjournment	22 – 23	Chairman Kling requested a motion to adjourn.	Motion to adjourn by Commissioner Simendinger. Second by Commissioner Holt. Motion carried with no objections or abstentions.

**NOTE:** The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.